



The President's Daily Brief



19 July 1969

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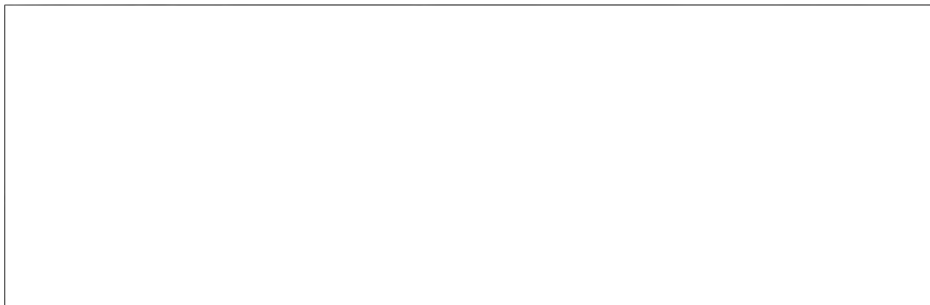
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I. MAJOR PROBLEMS

VIETNAM

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The Chinese Communist Deputy Prime Minister, who headed his country's delegation to the French National Day reception Monday, told French Ambassador Manac'h that Peking was convinced the US was sincere about withdrawing troops from Vietnam, that the pull-out would be rapid, and that in return for this the North Vietnamese would make concessions making it impossible for them to get the kind of settlement for which they have been fighting.

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There continue to be indications that the Communists plan to cap their "July action phase" with a final round of offensive actions which could begin over the weekend.

EUROPE

Italian Prime Minister Rumor is still trying to reconstitute the center-left coalition, but there is no immediate

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prospect of success. The Unitary Socialists are insisting on a "guarantee" that the government will not cooperate with the Communists. While their brethren to the left, the orthodox Socialists, do not want a coalition with the Communists either, they refuse to commit themselves to vote against all Communist-sponsored legislation. Rumor is seeking a formula to paper over the Socialist differences and says he plans to wait until after the moon landing before making his next move.

Meanwhile, the Communists are obviously disturbed by the prospect of an immediate re-formation of the old coalition before they have had an opportunity to take full advantage of the current crisis.

SOVIET AFFAIRS

The increase noted in Warsaw Pact military activity this week is probably in preparation for normal seasonal training exercises. Naval craft assembling off the East German and Polish coasts are expected to conduct an amphibious exercise.

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Soviet, Bulgarian, and Romanian air and air defense units conducted a small exercise on Thursday.

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There is nothing significant to report on the Middle East.

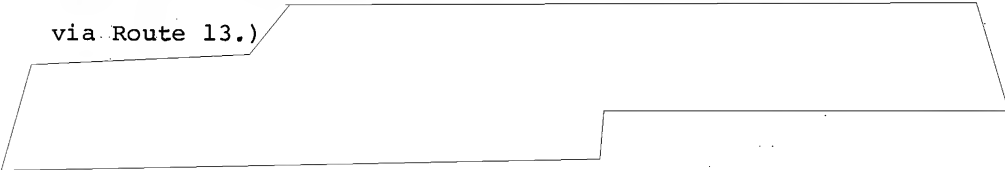
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II. OTHER IMPORTANT DEVELOPMENTS

LAOS

There are signs that Communist forces are moving to expand their holdings in the Plaine des Jarres area. Over the past few days Communist forces have unsuccessfully tried to overrun a number of progovernment guerrilla outposts south of the Plaine. They also appear to be moving to clear the remaining government elements which threaten their supply lines south of Muong Soui. Although there has been no new fighting west of Muong Soui, there is increasing evidence of an enemy troop build-up along Route 7.

Meanwhile, King Savang, with unwonted forcefulness, has tried to bolster the depressed Lao military leadership. Reacting sharply against the government's alarmist views of the military situation, the King urged the military to stop sulking and move to strengthen the defenses of the Route 7/13 road junction at Phou Khoun. (Loss of the road junction would deny the government overland access to the royal capital of Luang Prabang via Route 13.)



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INDIA

Reaction to the forced resignation of Mrs. Gandhi's deputy, Morarji Desai, has snowballed within the Congress Party over the past two days. Her volte face in backing the party's choice

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for president, after earlier opposition, failed to salve the feelings of Desai's supporters, and Desai himself says he is willing to fight. Congress Party members of parliament are meeting in New Delhi on Sunday and, if peacemaking efforts fail, may take a vote of confidence on Mrs. Gandhi's leadership.

The outcome of such a vote is difficult to forecast at present. Even if Mrs. Gandhi survives, however, her position will have been severely weakened by her defeat in the party's presidential nomination and her petulant reaction. She will no longer have someone in the presidency as responsive to her cues on such matters as formation of a new government or a call for new elections. In the past, her enemies have recognized this influence as a crucial weapon in her personal arsenal against any concerted attempt to oust her. Her popular image as a broadminded, all-India leader, until now one of her more important assets, also has been damaged.

EL SALVADOR - HONDURAS

A cease-fire was agreed on to begin at midnight last night and both sides said they had ordered their troops to implement it fully. It is uncertain, however, whether El Salvador will keep its side of the bargain. President Sanchez' speech to the nation last night sounded no note of compromise and will add to Honduran skepticism of Salvadoran intentions. The Guatemalan ambassador in San Salvador believes El Salvador has no intention of withdrawing and that inter-American sanctions will be necessary to force compliance. Honduran

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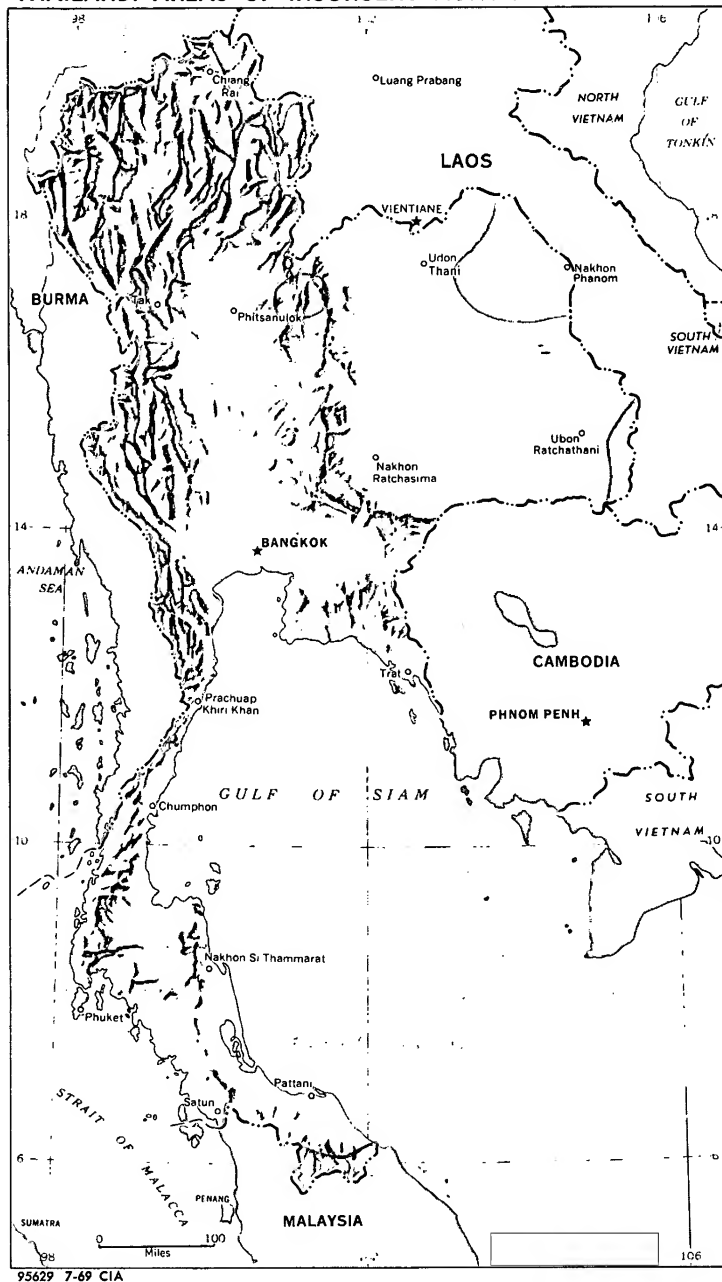
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President Lopez made an urgent call to President Somoza of Nicaragua for materiel assistance, which Somoza says he will give if the cease-fire agreement is not still being implemented today.

THAILAND

With the insurgency now well into its fifth year, the Communists face a long, uphill fight, but testimony from defectors and captured documents suggests they are slowly moving to correct their mistakes. At annex we discuss the insurgency problem in some detail.

THAILAND: AREAS OF INSURGENT ACTIVITY



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THE INSURGENCY IN THAILAND

There are two principal areas of insurgent activity in Thailand:

--The northeast, a large, economically depressed area, where the insurgency first got rolling in remote villages among Thai farmers scratching out a precarious living on arid land ill suited for rice culture.

--The north, where rough terrain and proximity to Communist-controlled areas in Laos have thus far made it fairly easy for Communist agents to incite insurgency among primitive mountain tribal groups.

After a slow start, the government has brought the insurgency in the northeast under control--at least temporarily. Insurgent incidents have been at low levels since early 1967, when a record number of clashes, government casualties, and acts of terrorism were being reported. The guerrillas, numbering between 1,500 and 2,000, are on the defensive. Short of food and other supplies, led by quarreling and ill-motivated cadre, and pressed by government troops, the insurgents have grown fainthearted and irresolute. Defections have been common. The heart of the problem is that the Communists badly overestimated their political appeal and have been unable to build a sound village-based apparatus. Without the basic machinery of a guerrilla organization, the insurgency virtually collapsed when government troops moved into the countryside three years ago.

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At the same time, however, the government has not been able to capitalize fully on the insurgents' woes and eliminate the threat. Insurgent bands remain largely intact and are laboring to correct their mistakes and strengthen their village organization. There are recent reports that additional North Vietnamese - trained insurgents are being moved into the northeast and that arms, ammunition, and funds, which have been in surprising short supply, will soon be brought in to put the insurgency on a better footing.

It is probably no coincidence that at the same time the insurgents fell on evil days in the northeast, the Communists began to step up their activities in the mountainous northern and north central provinces adjacent to Laos. In so doing, the Communists have taken advantage of favorable geography and the long-standing animosity felt by the tribal people toward the government and the lowland Thai. The struggle in the north is now almost two years old, but despite various measures to beef up its forces in the area and strengthen its hold over the tribal people, the government is far from getting on top of the situation. The Communists appear to be well on the way to developing their first secure base area within Thailand's borders.

The Communists must know that to win they must develop a viable insurgency that goes well beyond the tribal people. But at the moment they appear to calculate that dramatic progress in the tribal areas will provide a needed sense of momentum for their over-all effort. It is a dangerous gamble, for in turning to the tribal people, the Communists run the risk

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of having their movement identified with a people who are dis-trusted and disliked by the overwhelming majority of Thailand's population.

Although government leaders do not like to admit it, the insurgency is fundamentally a home-grown movement that depends for the most part on local manpower and supplies. The leadership is ethnic Thai and Sino-Thai, and the movement, in all areas of the country, is under the direction of the Thai Communist Party (TCP). There is little question, however, that still in its formative stages, the Thai insurgency is heavily dependent on outside guidance and inspiration. The TCP itself appears to be under the strong influence, if not the control, of Communist China. This is revealed in TCP propaganda, which is straight Maoist liturgy; in the fact that the party's front organizations are based in Peking; and the long association between party leaders and their counterparts in China.

The mechanics through which Communist China exercises its influence over the TCP is not clear, nor is it absolutely certain that the Chinese provide much more than general guidance and a certain amount of tangible assistance in the form of financial backing and training. In recent years, however, insurgent prisoners and defectors have painted a compelling picture of North Vietnamese support for the Thai insurgency. North Vietnam has trained at least 500 rank-and-file insurgents at a training camp near Hanoi since the early 1960s. Hanoi has also provided material support to the insurgent bands in the northeast; and the large Vietnamese community there, over which Hanoi exerts considerable influence, has also been helping out.

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Even in north Thailand, whose proximity to China might have enabled Peking to assist the insurgents directly, North Vietnamese cadre, with the support of their Lao Communist friends, have been setting up bases and otherwise assisting the Thai insurgents from Communist-controlled areas of Laos.

The government, meanwhile, continues to take piecemeal efforts to overcome the bureaucratic jealousies that have impaired its effort to crush the insurgency. Much progress has been made in this area over the past several years. But organizational troubles are not the heart of the problem. The most important factor bearing on the Thai counterinsurgency effort, and its inability to root out a weak and divided enemy, is that the top Thai leaders are not convinced that the insurgency is sufficiently serious to warrant the financial and other sacrifices that would be necessary to bring the insurgency under full control.

Confident that the Communists will never make a go of it in Thailand, and apparently lulled by their partial success in the northeast, the leaders in Bangkok appear willing to let the situation drift.

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